

18<sup>th</sup> February 2023

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BSE Limited Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P. J. Towers, Dalal Street, Mumbai – 400 001 <b>SCRIP CODE: 543523</b>	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 <b>SYMBOL: CAMPUS</b>
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**Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings Call held with Investors/Analysts**

Dear Sir

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Conference Call held with the Investors/Analysts on 14<sup>th</sup> February 2023 and the same is also available on the Company's website i.e. [www.campusactivewear.com](http://www.campusactivewear.com).

This is for your information and records please.

Thanking you

**For CAMPUS ACTIVEWEAR LIMITED**

**Archana Maini**  
**General Counsel & Company Secretary**  
**Membership No. A16092**

Encl: As above

**Campus Activewear Limited**  
**Q3 & 9MFY23 Earnings Conference Call**  
**Feb 14, 2023**

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**Moderator:** Ladies and gentlemen, Good Day and Welcome to the Campus Activewear Limited's Q3FY23 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touch tone phone. Before we proceed on this call, let me remind you that the discussion may contain forward looking statements that may involve known or unknown risks, uncertainties, and other factors. It must be viewed in conjunction with our businesses that could cause future results, performance, or achievement to differ significantly from what is expressed or implied by such forward looking statements. The Campus Activewear's management team is represented by Mr. Raman Chawla, CFO and Mr. Piyush Singh, Chief Strategy Officer. I now hand the conference over to Mr. Piyush Singh, Chief Strategy Officer for his opening remarks. Thank you and over to you Sir.

**Piyush Singh:** Thanks, Mike. Welcome and thanks everyone for joining our third quarter of FY23 earnings call today. Our CEO, Mr Nikhil Agarwal, is under the weather due to viral fever and would not be able to join today's call. We apologise for this inadvertent change on his behalf and wish him a speedy recovery. Now we are very delighted to share that our quarterly performance has not only maintained our progress on the growth trajectory and demonstrated a material uptick in our profitability trend visibly last quarter, despite inflationary macro environment and transient demand, contraction in rural and semi urban areas, which is still not out of the woods in our opinion. We are very bullish on the long term growth and profitability prospects of both the sports and athleisure industry in general and Campus group in specific. There has been a sustained improvement in our year to date financials for FY 23, exhibiting marked improvement in our top line and profitable growth across all our revenue streams as compared to the same period last year which was actually supported by pent up demand tailwinds last year with markets opening after second official lockdown in India on account of COVID-19.

Now coming to the quarter, Q3FY23 we sold more than 7 million pairs at an aggregate level, thereby clocking net income of INR 466 crores registering a YoY growth of almost 7.5% versus Q3FY22 where the top line was INR 433 crores. While the trade distribution has de-grown by ~13.5% on account of higher base, then lower primary uptake on account of channel partners. Taking a cautiously optimistic view on account of slower than expected demand recovery, especially in Tier 2 and 3 cities in semi urban centers, our direct-to-consumer channels, have delivered robust growth to file

of more than 46% on a YOY basis versus Q3FY 22 supported by sustained secondary consumption by end consumers.

With sales of 7 million pairs in Q3 FY23, we registered our YOY volumetric growth of roughly 6% in comparison to Q3FY22. Our quarterly ASP has also grown at 1.5% from INR 657 in Q3 FY22 to INR 669 per pair in Q3 FY23. Despite the challenging inflationary environment, our balance sheet demonstrates the possession of strength with robust return ratios such as ROCE and ROE at 27% and 25% respectively. On a year to date basis, all our distribution channels, category cohorts and pricing segments have demonstrated robust growth both in terms of volume and value despite the challenging operating environment impacted by supply chain disruption and inflationary trends basis price segments. Our sales trends have exhibited sustained premiumization on a YTD 9M FY23 vis-a-vis FY 22 full year, wherein sales contribution from semi premium and premium categories have increased from 64% in FY 22 full year to 72.5% in 9M FY23.

Similarly, on a category basis, revenue mix across men, women and kids have improved from 84% for men, vis a vis 16% for other categories in FY 22 full year to 80:20 in 9M FY23. On a trailing 12-month basis, revenue from operations have increased by 25% YoY to INR 1,489 crores as compared 1,194 crores for FY22. Similarly, TTM trailing 12 months EBITDA stood at INR 278 crores as compared to 244 crores in FY22, demonstrating a 14% YoY growth. Our TTM9MFY23 EBITDA margin stood at 18.7% vis-a-vis 20.4% in FY22, this marks a material improvement in our margin profile as compared to the last quarter. On the supply chain front, while prices have softened a bit for a few input raw materials, we continue to stay cautious on the uncertain in inflationary environment in the near medium term, ensuring raw material and semi-finished goods availability above everything else to maximise sales potential in the coming quarters. We continue to maintain a close watch on all our input costs and are confident of restoring our trend line growth trajectory and margin profile in the near to medium term. I will now hand it over to our CFO, Mr. Raman Chawla, to take you through more details on Q3 FY23 performance.

**Raman Chawla:**

Thanks so much, Piyush. Good afternoon, everyone, and welcome to the Q3 FY23 earnings call of Campus Activewear Ltd. During the quarter under review, Campus as a brand demonstrated a lot of resilience. Campus delivered profitable top line growth and protected bottom line profitability while ensuring requisite investments in future capacity and brand building, which is essential for sustained growth and margin recovery. Revenue from operations increased by 7.5% YoY to 466 crores during the quarter with both channels, trade distribution and D2C exhibiting profitability in this quarter despite industry de-growth in mass and mass premium segment across select consumption cohorts across India.

EBITDA during Q3 FY23 was at INR 92.8 crores as compared to INR 93.3 crores in Q3 FY22. Our EBITDA margins stood at 19.9% for this quarter versus 21.5% in Q3 FY22. Our net profit during Q3 FY23 stood at 48.3 crores as compared to 54.7 crores in Q3 FY22. Our Q3 FY23 sales volumes

registered 7 million pairs as against 6.6 million pairs in Q3 FY22, thereby generating a ~6% YoY volume growth. Our Q3 FY23 aggregated ASP stood at INR 669 per pair versus INR 657 per pair in Q3 FY22, thereby resulting in almost 1.8% YoY ASP growth. On the balance sheet side, our net debt has increased marginally from INR 174 crores at FY22 to 187 crores as at 31st of December 22. Our net debt to EBITDA ratio is constant at 0.7x in FY22 and in TTM9MFY23. Similarly, our return on capital employed has been maintained at 27% in TTM9MFY23 and we managed to deliver a robust return on equity of 25% in TTM9MFY23. With this, I'll conclude and hand over to the operator for question and answers. Thank you.

**Moderator:** Thank you. We will now begin the question & answer session. We have the first question on the line of Ankit Kedia from Phillip Capital, please go ahead.

**Ankit Kedia:** I wanted to understand the underlying demand in the trade distribution channel. We have seen a 14% decline in revenue this quarter. So what has happened in the North market last quarter, we are a 7% growth? So is there any because of the pricing action causing the decline or is because of the primary and secondary mismatch.

**Piyush Singh:** Hi Ankit, the demand contraction is not only because of macro factor, it's also by virtue of a higher base last year wherein we saw a lot of pent up demand coming our way in Q3 FY22 so on that higher base we have seen slight contraction in some of the select cohorts like Uttar Pradesh and parts of North India because these markets are still sluggish in terms of their overall recovery especially in Tier 2 Tier 3 markets. That said, we are seeing relatively positive trend line in terms of their recovery, but believe that it will take another quarter for us to kind of maintain this. There's been no adverse pricing action that the company has taken on the existing portfolio so far and we have maintained this approach because of the sluggishness in demand in these markets, the channel has been slightly more sensitive to this aspect and that's why we have kind of curtailed from any pricing increase in in our existing portfolio.

**Ankit Kedia:** Also in the month of December, there was some price cuts on selected SKUs by you guys in the Q2 FY23 concall, you alluded that end of the quarter or early January, there could be some price increases actually given the RM inflation. So today as we sit, what are we looking at the price increase? We had 1.5% ASP growth on back of premiumization and mix change and not due to any pricing action, right?

**Piyush Singh:** So just to clarify this, we have not taken any price increase on the legacy portfolio. While the newer introductions that we have done in the market are with the pricing action. The newer portfolio takes some time to settle in and kind of expands its reach in and acceptability among the secondary and the tertiary markets. As far as pricing cut is concerned, there has been a pricing cut on a couple of styles only which were slow moving styles and that has negligible impact on our top line or our ASP 's so far.

**Raman Chawla:** And just to add, this discount is pretty much normal on quarter to quarter. There has been no exceptional discounts which have been given and which really impacts our margin or the profitability.

**Moderator:** Thank you. We have the next question from the line of Harsh from InCred capital, please go ahead.

**Harsh:** The on the distribution plan, let's say the western markets. Are we seeing any growth there or even the Western markets have I mean has been subdued in terms of distribution?

**Piyush Singh:** So we have seen a very robust growth profile in our Western territory, which happens to be our emerging market portfolio. For example, in states like Maharashtra, on a like to like basis, we have seen a quarterly growth north of 40% for us which has largely compensated for the contraction in growth across the northern markets. So the growth profile, as you said, is starkly different in Western markets compared to some of the northern markets.

**Harsh:** OK. And Sir, in the northern markets, have we lost any shelf space to, let's say other categories or other brand?

**Piyush Singh:** While we don't believe so, because the market at large has contracted in line with the channel taking a cautiously optimistic approach, we believe we have rather gained market share in these territories that have been losing market share. The market on an overall basis has degrown quite a bit to the tune of 20%-25% in these select cohorts.

**Harsh:** OK. And what was the e-commerce growth? D2C growth for the current quarter? I just missed that number.

**Piyush Singh:** So D2C growth put together is part of 46%. If you have to split our e-commerce growth is 41% on a YoY basis and D2C offline growth is around 75%.

**Moderator:** Thank you. We have the next question from the line of Tejash Shah from Spark Capital. Please go ahead.

**Tejash Shah:** Just wanted some more insights from you on consumer sentiments in general and then for our category in particular. So we have seen in athleisure segment, which was beneficiary for opening up last year or early part of the post COVID period. We are seeing some deceleration in some of the results that we have seen so far. So just wanted to know if we keep the market share or footprint expansion aside. How are you reading consumer sentiment from the same cohort of consumer that you were catering earlier?

**Piyush Singh:** To answer your question across the various subcategories within athleisure segment, we believe sports and athleisure Footwear segment is the least impacted. The channel at large has taken a

cautiously optimistic approach, while the tide is turning, we believe Q4 to be in line with the performance that we have seen in Q3. Maybe some operating leverage will kick in, but the channel is taking some more time to open up. We don't see any significant drop in the secondary off take of our product, which is kind of substantiated and triangulated by the robust growth that we have witnessed across that D2C portfolio. Which is roughly 46-47% of our overall top line. There are select cohorts which have been adversely impacted by macro and we are just expecting that macro turn to reverse. On a long-term basis, we maintain a very bullish outlook on this entire segment and the way franchise has kind of harness market share. So our long term prospects in our view are very bullish.

**Tejash Shah:**

And the way last quarter has played out for the retailers in general where October was good and November and December has been kind of difficult period depending upon which categories we talk about. Most of the retailers actually ended up post Diwali, post festive season, more inventory than they initially budgeted. So how do you see the competitive landscape, especially in terms of aggressive pricing or discounts going ahead? And in the coming quarter and perhaps quarter after that?

**Piyush Singh:**

So there's been a couple of factors. It's not the slowdown in demand. So there are three key drivers for our category and especially the segment that we operate in, which is still aspirational for 90% of the country this is the advent of winters, and the advent of festive season and the and the advent of marriages. Now festive season was there in October, which led to a robust secondary and tertiary offtake by the retailers and the end consumers. However, the entire winter season got delayed by good 15-20 days, especially in the northern part of the country. And the impact was largely visible in early January till early February. Similarly only small part of the marriage season was kind of aligned in second-half of November till late December and the rest of the season is expected to resume. So far as marriages are concerned as we speak in this part of February. So all these factors have a cumulative impact on these tertiary optics that happens in these markets across the segment that we operate in. While there was a transient slowdown in early November, we saw the markets rebound so far as tertiary optics are concerned because of driven by all these factors. So on a very near term basis, we believe that Q4 should give you a positive twist in terms of rebound of the market channel. As such, once they take a cautiously optimistic approach in terms of demand and outlook takes some bit to reverse. But the good part is, given secondary uptakes are not impacted to that extent, we believe that turn around to happen sooner than later.

**Tejash Shah:**

And then what was the full price sale in Q3 for us? What proportion?

**Piyush Singh:**

While we don't report that numbers, but we can certainly connect offline to give you some flavour. Our discounts have not increased in this quarter or YTD in nine months as compared to similar period last year.

**Moderator:** Thank you. We have the next question from the line of Aliasgar Shakir from Motilal Oswal. Please go ahead.

**Aliasgar Shakir:** I wanted to first of all just understand how the RM prices are trending and when do we see that seeing benefit, if at all they have been cooling off and how do we plan to use that, do we plan to pass on some of the benefits if at all there are any cool off, or that should help us improve our gross margin?

**Piyush Singh:** So before we get into the current pricing trends, we like to maintain that as we have mentioned in our previous quarterly earnings update calls that we have maintained strategic levels of inventory just to ensure availability at the right time because we believe that availability of the merchandise is paramount in uncertain times where supply chain fluctuations are plenty. So, on account of these fluctuations in RM prices, especially EVA resins and packaging materials, we had kind of maintained inventory levels to ensure availability throughout the year for the merchandise. Now the good part is while we have seen almost half a percent of margin contraction on a year on year basis in Q3, this is on account of consumption of higher priced raw material that we had kind of maintained in order to ensure availability of the product. Because this gives us a once in a lifetime opportunity to gain more market share and more shelf space in the relevant markets. Now so far as current pricing trend is concerned while EVA resins, prices are kind of stabilised, packaging material is still going through a lot of variability and these two are the key raw material components. For us, so far as consumption is concerned. We are actually working on long term engagements or long term associations, So far as packaging material sourcing is concerned. So some very good work is ongoing internally and we'll update the investor community as and when we make some material breakthrough in that aspect. Now so far as this goddess is concerned, we would first try to recoup the lost margin in absolute sense before we pass on any benefit to the channel or to the end consumer to answer your question.

**Aliasgar Shakir:** This is very useful and detail just if you could quantify a little bit so EVA and other raw material, you mentioned a stabilise, have they come down and we typically have a nearly four to five months of inventory if I'm not mistaken. Had it gone up and from when should we see benefit of that coming that's point no 1? And point no 2 is just packaging material. Correct me if I'm wrong. It's close to about 1/3 contribution if our total raw material. So how much of that should offset the benefit of at all any EVA? So I'm just trying to understand basically in in not in fourth quarter if at all in, should we see some basically benefit of raw material in FY24?

**Piyush Singh:** So just to answer your question directionally, as overall inventory levels have come down materially in quarter three, which was expected compared to last quarter and the improvement is holistic across all inventory cohorts including raw materials, semi-finished goods and finished goods inventory. Just to give you some directional quantum, it has come down by more than 50 crores in absolute sense in this quarter alone. In terms of pricing, while EVA prices have kind of stabilized.

We still see a lot of fluctuation happening across packaging material and all these three input materials put together contribute roughly 30% to 35% of our raw material cost. We believe that it will take another quarter or a couple of quarters for packaging material prices to also kind of stabilize, but then it dependent on a larger macro outlook and we are just hoping for things to stabilize.

**Aliasgar Shakir:** And just to reconfirm the online, you mentioned overall D2C including online, offline, both has grown 46% in this quarter on YOY is that correct?

**Piyush Singh:** Yes, that's correct.

**Aliasgar Shakir:** OK. Against overall YOY growth of about 7%. Right. So then to that extent offline would have degrowth in probably nearly around 25% level, that's fair assumption.

**Piyush Singh:** Its 13.5% degrowth in MBO, 41% growth in D2C Online and 75% growth in D2C offline. The mixes almost 54% in MBOs versus 46% then the other two categories put together.

**Aliasgar Shakir:** OK. And this online also includes nearly about 30 crores of the spillover that we spoke in the last quarter from Q2 to Q3.

**Piyush Singh:** So that spillover was roughly 25 crores, 15 crores was on account of online and 10 crores was on account of offline.

**Aliasgar Shakir:** Got it. So if I exclude that, it's about 2% kind of growth. And where do we expect our margins to stabilize in the long term given there are multiple levers, one as you mentioned gross margin depending upon how the raw material prices move and then we've been a little aggressive in the past related to our ad spends. So in a relatively medium to long term, where do we expect our margins to stabilize in EBITDA level?

**Piyush Singh:** So before we get into the margin profile, I would like to correct you on the on the growth profile piece in the absolute sense, e-commerce business in this quarter has ended at 181 crores last quarter numbers you already have, that was roughly 130. Our MBO business is INR 245 crores and EBO business is at INR 36 crores.

**Aliasgar Shakir:** And if you could answer the question related to margin.

**Piyush Singh:** Yes. So we believe that we should be back in the same trend line that we have exhibited in FY 22 in the next couple of quarters on a TTM basis. And while we don't give any directional outlook on EBITDA margin, we believe that we'll be maintaining a very healthy EBITDA profile in the near medium term north of 20%.



**Moderator:** Thank you. We have the next question from the line of Bharat Gianani from Moneycontrol Pro. Please go ahead.

**Bharat Gianani:** While the weakness in the demand has led to because we don't and obviously we also highlighted that Q3 FY23, there was a pent up demand factor as well, so what's your volume growth projection for the next fiscal and the medium term and what is the ASP growth that we are targeting per year over the next the medium?

**Piyush Singh:** So while we refrain from giving any concrete outlook on the near medium term, we believe that directionally we'll maintain the same growth profile and margin profiles in the medium term, as already mentioned, we maintain a very bullish outlook on the overall industry and our own performance and the franchise not only in the near medium term, but also in the long term. We believe that the prospects are very good and we'll keep on demonstrating healthy growth profile as well as a very profitable bottom line.

**Bharat Gianani:** OK. And just related to that, you have highlighted that the industry demand has been muted bit. So what's your reading that when do you think that the demand at the industry level would bounce back or will exhibit growth, so what's your reading on that.

**Piyush Singh:** We believe that it's a mix of multitude of factors including inflationary trend, the income profile of Tier 2, Tier 3 and semi urban centers plus the cautiously optimistic outlook that the channel partners have taken especially in these markets. So a confluence of all these. While it's a crystal ball gazing for anyone to do, we believe that it should start coming back in in the next couple of quarters.

**Moderator:** Thank you. We have the next question from the line of Jaspreet Arora from Equentis. Please go ahead.

**Jaspreet Arora:** The first question was this average selling price of 669 what we reported last quarter, what does it mean for in terms of a ballpark cost to consumer?

**Piyush Singh:** So average blended retail price would be somewhere in the ballpark of 1350 to 1450 per pair.

**Jaspreet Arora:** OK, so the difference is all taxes and the channel margin.

**Piyush Singh:** Yes. And it's a blend of multiple channels, the realisation across channel is different. So some aggregate is almost 2.0 - 2.2 kind of multiplier.

**Jaspreet Arora:** And the rates remain at that 5% and 18% depending on MRP sub INR 1000 and + INR 1000, is that the way it's still working?

**Piyush Singh:** So it got revised in January last year and the slab was up from 5% to 12%. So anything which retails below INR 1000 attracts a tax of 12% and retails above INR 1000 attracts a tax of 18%.

**Jaspreet Arora:** And in terms of competition, if you could talk about that in terms of how much do we compete with the unorganised market or maybe the whatever the way you call it and in what sense some of the other branded players that we would be competing with at the mid to lower end, whatever you can discuss.

**Raman Chawla:** I mean, it's less than ₹1000 MRP where normally the unorganised sector really plays in n and continue to kind of on the strength of our designs that we go out and launch and the value equation that we offer to our consumers, we maintain that position of strength even in that category. And that category is also important price category because that's like the catchment for the new consumers to come in. And we continue to focus on that as well.

**Piyush Singh:** So just to add some quantitative perspective to this, the 70% of our sales comes from our portfolio above ₹1000 MRP which where our competition is largely regional labels and branded play. And only 30% of our sales comes from the economy segment which is sub ₹1000 kind of profile where largely the competition is beyond private or cheap imports.

**Jaspreet Arora:** And maybe you've discussed this with me on one of your previous calls. If you could just highlight it about the about some details about the typical customer in terms of maybe the age profile, the gender and working versus non-working whatever just to get a sense of a typical age of a campus shoe, whatever where a large chunk of them would fall in the pyramid for campus.

**Piyush Singh:** So our core target audience is 18 to 34 years in terms of age profile, we essentially target college goers and 1st jobbers and the family of four with an income of INR 10 to 15 lakhs per annum and a periphery age profile starts from 35 and goes as high as 55 for us. That said 10% of our portfolio is concentrated on kids as well, wherein we are one of the largest players in school shoes and kids footwear in the country.

**Jaspreet Arora:** And how much of our sales comes from? Full price versus sale if not for the last quarter, can you just highlight numbers from the previous year FY22 possible?

**Piyush Singh:** We refrain from sharing data because this is kind of proprietary industry sensitive in nature, but directionally just to give everyone comfort, our discount levels have not increased in the last many quarters. We are on similar discount levels.

**Jaspreet Arora:** And just lastly on the margins, margins for volume, so just trying to compare Q3 FY21, I'm just using that because that was possibly the best margin we did at least in the data available, which is 24.8% the price point then was INR 547 and we are now at INR 669, which is materially high and obviously

our revenue is also doubled possibly since then and so as the volume. So just trying to get a sense that the drop in margin would essentially be the entire spike in raw materials. Is that the way how to look at this?

**Piyush Singh:**

I wouldn't call this as drop in margin. I'll say that this is how the portfolio and the sales mix is maturing for us because couple of years back we were only focused on men's footwear. Now, we have added multiple other categories like Casual footwear is coming into play. Our focus on women and kid's footwear has increased because we see a lot of growth coming from that segment. At the same time, we have also entered into open footwear, which is relatively lower margin segment while it continues to be a filler for us. But all these factors put together has kind of stabilised our margin that 20%-21% level on an annual basis and similarly quarter three for us, if we talk about specifically quarter three, last year, the margin was 21.5%, this year margin is 20%. There has been a material it creates in ads and business promotions spent so couple of years back, we were only spending around three, 3.5% of our top line towards brand building. Now the number is as high as 6.5%- 7%. So the delta that you've witnessed in margin profile, if we talked about our quarterly or if we talk about the general trend line is largely because of our enhanced spends on our ads. A part of it is getting funded by the operating leverage that we are generating and part of it is the kind of investment that we are making towards a robust brand building exercise.

**Jaspreet Arora:**

And just a quick last one on the volumes. The last five years we've done almost 20% volume growth CAGR. So, given that we have now at a reasonable market share and reasonably good revenue base, do you think that I'm not talking about the next year or two, but do you think the next five years could more be like a high single digit to more like a 10%-11%. Would that be a practical thing to look at given the penetration and your level of market share today?

**Piyush Singh:**

As always, we'd like to add the global perspective here. If we talk about any major economy globally, the contribution of sports and athleisure, basically all the other categories put together is 1:1. In India, the contribution is 1:10, China was at a similar stage as India 15 years back. If we directionally follow the same trajectory, so to industry in China was close to 2-2.5 billion dollars in size at that point in time today in the same industry in China being the most recent example of this explosion is roughly \$50 billion in terms of retail size. So if we believe that India, like any other segment would mimic China or followed directionally the same trend, we expect a very bullish horizon so far as the long term prospects of this industry is concerned, we are just at the tip of the iceberg. So we believe a lot of substitution and a lot of holistic growth through coming.

**Jaspreet Arora:**

So what would be the industry growth in the period that we've grown 19.2%, volume CAGR?

**Piyush Singh:**

That's a very subjective question because there are multiple agencies which cover this.

**Jaspreet Arora:**

So whatever the ones that you track or that you keep a handle on.

**Piyush Singh:** It's close to 13% to 15% volumetric growth.

**Jaspreet Arora:** So 13% to 14% and you've done 400-500 basis points higher than that. So a very big lever of growth would be the industry growing at a very high growth rate for the next few years. The athleisure of sports catering.

**Piyush Singh:** That's the house we maintain.

**Moderator:** Thank you. We have the next question from the line of Bhargav Buddhadev from Kotak Mutual Fund. Please go ahead.

**Bhargav Buddhadev:** Is it possible to break up the revenue performance in the more than INR 1000 MRP portfolio and less than INR 1000 MRP portfolio on a YOY basis?

**Piyush Singh:** So we can give you a directional trend which is handy with us in terms of nine months. So more than INR 1000 for us is contributing roughly 72.5 % and less than INR 1000 is contributing the rest on the 9-month basis. Which for FY22 was 64% for more than INR 1000 and the balance 36% for less than INR 1000.

**Bhargav Buddhadev:** So in this quarter has there been a growth in terms of volumes in the thousand MRP plus portfolio?

**Piyush Singh:** Yes, there is certain growth.

**Bhargav Buddhadev:** And secondly, in terms of ad spends as a percentage of revenue, has it been maintained in this quarter versus the same quarter last year?

**Piyush Singh:** It has gone up by almost a percentage point versus the same quarter last year. So this year our ad spend is in quarter three at 7.0% viz a viz 6.2% for FY22.

**Moderator:** Thank you. That was the last question. I would now like to hand it over to the management for closing comments.

**Piyush Singh:** Thanks, Mike. Thanks everyone for participating in an earnings call. We would like to thank all our investors, all our channel partners and our end consumers for the belief that they have shown in the franchise. We assure you that we will keep on maintaining our growth trajectory and at the same time, we'll keep on improvising on the brand in terms of its perception and the overall portfolio.

**Moderator:** Thank you. On behalf of Campus Activewear Limited, that concludes this conference. Thank you for joining us. And in case of any further queries, please reach out to Campus Activewear Investor Relations team at [ird@campusshoes.com](mailto:ird@campusshoes.com). You may now disconnect your lines.